

MINUTES OF  
THE RHODE ISLAND INDUSTRIAL – RECREATIONAL BUILDING AUTHORITY

Meeting #445

A monthly meeting of the Board of Directors (the “Board”) of the **RHODE ISLAND INDUSTRIAL – RECREATIONAL BUILDING AUTHORITY** (the “Authority”) was held in public session at the offices of the Rhode Island Economic Development Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on July 17, 2009 at 8:30 a.m., pursuant to notice of the meeting to all Directors, and public notice of the meeting as required by Rhode Island General Law 42-46-6.

PRESENT:                Frank R. Benell, Chairperson  
                              Frances H. Gammell-Roach, Vice Chairperson  
                              William B. Sweeney, Member  
                              Michael S. Imbruglia, Member

ABSENT:                None

ALSO PRESENT:      Michael Saul, Interim Executive Director  
                              Earl F. Queenan, Jr., Manager  
                              Sean Esten, Loan Portfolio Manager  
                              Thomas V. Moses, Esquire, Legal Counsel  
                              Carol J. Anguilla, Moses & Afonso  
                              Ellen McBurney, Representative for Robert Bromley

Chairman Benell presided over the meeting.

**1.     Call to Order**

Mr. Bennell called the meeting to order at 8:31 a.m.

**2.     Approval of the Minutes of the Meeting Held on December 12, 2008**

Mr. Benell presented the Public Session Minutes of the Meeting of December 12, 2008. Following review, a motion was duly made by Dr. Sweeney, was seconded by Mr. Imbruglia, and was unanimously carried to accept the Public Session Minutes as presented. A roll call vote was taken:

Mr. Benell – aye  
Mrs. Gammell-Roach – aye  
Dr. Sweeney – aye  
Mr. Imbruglia – aye

**3. Proposal by Potential Tenant of Revised Lease Terms with Respect to 222 Goldstein Drive, Woonsocket, RI**

Mr. Queenan presented background with respect to the potential purchase by Katahdin Incorporated ("Katahdin") of the business of the current tenant at 222 Goldstein Drive, Sulzer Metaplas (US) Inc. ("SM") and Katahdin's request for revised lease terms with the Authority. Extensive discussion ensued between the Board and Mr. Queenan regarding the terms of the current lease agreement, the estimated cost of repairs to the leased premises, and other relevant negotiating items. The Board agreed upon a response to Katahdin's offer and requested that Mr. Moses present a motion that would reflect such terms. Mr. Moses then offered the language of the motion attached hereto as Exhibit A. Upon motion duly made by Mr. Imbruglia and seconded by Mrs. Gammell-Roach, the motion to approve the resolution, in the form attached hereto and made a part hereof as Exhibit A, was adopted and approved. A roll call vote was taken:

Mr. Benell – aye  
Mrs. Gammell-Roach – aye  
Dr. Sweeney – aye  
Mr. Imbruglia – aye

**4. Report on the Status of Henry Birks & Sons, Inc..**

Mr. Queenan presented a report on the status of Henry Birks & Sons, Inc. (the "Company") with respect to its relationship with each of the Authority, the Rhode Island Industrial Facilities Corporation and the Small Business Loan Fund Corporation. Mr. Queenan informed the Board that the Company is current on all obligations with the entities listed above. Mr. Queenan further informed the Board that on March 28, 2009, the Authority granted waivers for covenant violations by the Company with respect to the U.S. company current ratio, the operating cash flow and the guarantor's operating cash flow. The Board discussed the viability of the Company, the status of its debt service and possible exit strategies.

**5. Report on D&O Insurance for Fiscal Year 2010.**

Mr. Queenan discussed the terms of a new Directors and Officers Liability Insurance Policy with Great American Insurance and noted the significant cost savings over the 2009 policy. Following some discussion, a motion was made by Mrs. Gammell-Roach to approve obtaining a policy with Great American Insurance under the terms presented, seconded by Mr. Imbruglia, and unanimously approved. A roll call vote was taken:

Mr. Benell – aye  
Mrs. Gammell-Roach – aye  
Dr. Sweeney – aye  
Mr. Imbruglia – aye

**5. Review of Internally Prepared Interim Financial Statements for the Period Ending June 30, 2009.**

Mr. Queenan presented the Internally Prepared Interim Financial Statements for the period ending June 20, 2009. The statements were reviewed and discussed among the Board and Mr. Queenan.

There being no further business to come before the board, Mr. Benell requested a motion to adjourn. Upon motion duly made by Dr. Sweeney and seconded by Mr. Imbruglia, the Board unanimously voted to adjourn the meeting. A roll call vote followed:

Mr. Benell – aye  
Mrs. Gammell-Roach – aye  
Dr. Sweeney – aye  
Mr. Imbruglia – aye

The meeting was adjourned at 9:43 a.m

Respectfully submitted,

Earl F. Queenan, Jr.  
Manager

## **EXHIBIT A**

**RESOLUTION  
OF  
RHODE ISLAND INDUSTRIAL-RECREATIONAL  
BUILDING AUTHORITY**

WHEREAS, on or about July 9, 2009, the Treasurer of the Rhode Island Industrial-Recreational Building Authority ("IRBA") was notified by Mr. Tim Cabot, President of Katahdin Incorporated ("Katahdin") that its subsidiary company, Duralectra-CHN, which is currently based in Woonsocket, Rhode Island (together with Katahdin, the "Buyer"), is negotiating a definitive agreement for the acquisition of Sulzer Metaplas (US) Inc.'s ("SM") thin film coating business which is located at 222 Goldstein Drive in Woonsocket, Rhode Island (the "Premises");

WHEREAS, IRBA is the owner of the Premises and the Landlord under that certain lease agreement with SM for the Premises (the "Current Lease");

WHEREAS, the Buyer has informed IRBA that a condition to a definitive agreement with SM is a new lease agreement with IRBA;

WHEREAS, the Buyer has proposed certain modifications to the Current Lease, and the Board of Directors of IRBA, after lengthy discussion, has deemed such modifications acceptable subject to certain terms and conditions.

**NOW, THEREFORE, BE IT RESOLVED BY THE RHODE ISLAND  
INDUSTRIAL-RECREATIONAL BUILDING AUTHORITY AS FOLLOWS:**

1. Provided SM and the Buyer enter into a definitive agreement for the purchase of SM's thin film coating business, the term of the new lease between IRBA and the Buyer shall be 5 years beginning September 1, 2009 (the "Initial Term") with an option to renew for an additional five year term which will include a CPI Adjustment to the rental payment during the renewal period.

2. The yearly rent for years 1 and 2 of the Initial Term shall be reduced from \$75,000 per year as set forth in the Current Lease to \$49,992 per year. The yearly rent for years 3, 4 and 5 of the Initial Term shall be \$75,000 per year.

3. As consideration for the reduced rent in years 1 and 2 of the Initial Term, the Buyer will be obligated to make certain repairs to the building located on the Premises, including the repair or replacement of doors and windows and the replacement of motors in the HVAC system, at its own expense.

4. As further consideration, the Buyer has indicated its commitment to continuing the business with its current employees at its current location with a goal to enlarge the business, increase the number of employees in the business and support the Rhode Island manufacturing base.

5. This Resolution shall take effect immediately and shall amend and supplement any previous resolution adopted by IRBA in connection with the Premises. Any terms not defined in this Resolution but defined in the preamble hereto shall have the meaning ascribed thereto by the preamble.